

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the General Government Appropriations Committee

BILL: SB 170

INTRODUCER: Senator Altman

SUBJECT: Endless Summer License Plate

DATE: April 19, 2010

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McManus	Meyer	TR	Favorable
2.	Pigott	DeLoach	GA	Favorable
3.			RC	
4.				
5.				
6.				

I. Summary:

This bill requires the Department of Highway Safety and Motor Vehicles (department) to develop a specialty license plate titled “Endless Summer.” The plate will be available to drivers for an annual use fee of \$25. These funds will be distributed to the Surfing’s Evolution and Preservation Corporation, to fund its activities, programs, and projects aimed at preserving the sport of surfing. The “Endless Summer” license plate has met the statutory application requirements for a new specialty license plate and falls within the exception from the moratorium on new specialty license plates created by the 2008 Legislature. The department’s cost to develop the license plate is approximately \$60,000, which is offset by the revenue from the application fee paid by the organization. The bill provides an effective date of October 1, 2010.

The bill substantially amends sections 320.08056 and 320.08058, Florida Statutes.

II. Present Situation:

Specialty License Plates

The Florida Legislature created the first specialty license plates in 1986. Specialty license plates are available for an annual use fee to any owner or lessee of a motor vehicle. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to a specified organization in support of the particular cause or charity signified in the plate’s design and designated in statute. The Legislature may create a specialty license plate under its own initiative or it can do so at the request of an organization.

Section 320.08053, F.S., provides that an organization seeking authorization to establish a specialty license plate must submit the following.

- A request for the particular license plate with a description of the proposed plate in specific terms, including a sample plate conforming to the specifications set by the department.
- The results of a scientific sample survey of Florida motor vehicle owners that indicates at least 30,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased costs. The Auditor General is required to validate the methodology, results, and any evaluation by the department of the scientific sample survey prior to the submission of the specialty license plate for approval by the Legislature.
- An application fee, not to exceed \$60,000, to defray the department's cost for reviewing the application and developing the specialty license plate, if authorized.
- A marketing strategy outlining both the short and long term marketing plans and a financial analysis outlining the anticipated revenue and the planned expenditures of the revenue from the requested specialty license plate.

The required documentation and fees must be submitted at least 90 days before the convening of the next regular session of the Florida Legislature. If a specialty license plate is approved by law, the organization must submit a proposed art design for the specialty plate to the department no later than 60 days after the act becomes a law. If the specialty license plate is not approved by the Legislature, the application fee is refunded to the requesting organization.

In an effort to manage the number of specialty license plates, the 2004 Legislature passed SB 2020, which provides that the department must discontinue the issuance of an approved specialty plate if the number of valid specialty license plates in use falls below 1,000 plates for at least 12 consecutive months. The department is authorized to discontinue the issuance and distribution of specialty plates if the organization no longer exists, if the organization has stopped providing services authorized to be funded, or on the request of the organization. To date, four plates have been discontinued for lack of sales. These plates are the Girl Scouts plate, the Orlando Predators plate, the Tampa Bay Storm plate, and the Corrections Foundation plate.

In 2008, the Legislature passed SB 1992 (ch. 2008-176, L.O.F.), which included a moratorium on the issuance of specialty plates by the department. The moratorium is effective from July 1, 2008, to July 1, 2011, but contains an exception “for [any] specialty license plate proposal which has submitted a letter of intent to the Department of Highway Safety and Motor Vehicles prior to May 2, 2008” or “which was included in a bill filed during the 2008 Legislative Session.”¹ Twelve organizations met the moratorium exceptions; however, only one organization’s specialty license plate was enacted during the 2009 Session.²

¹ Section 45, ch. 2008-176, L.O.F.

[illegible]

Section 320.08056, F.S., provides that the department is responsible for developing the specialty license plates and must begin production and distribution within one year after approval of the specialty license plate by the Legislature. Specialty license plates must bear the design required by law for the appropriate specialty plate, and the designs and colors must be approved by the department. In addition, the specialty license plate must bear the imprint of numerals from 1 to 999, inclusive, capital letters “A” through “Z,” or a combination thereof.

The department is authorized to annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray each specialty plate’s pro rata (proportionate) share of the department’s costs directly related to issuing the specialty license plate. A person wishing to purchase a specialty license plate must pay, in addition to the required license plate fee and license tax, a license plate annual use fee (from \$15 to \$25) and a processing fee of \$5.

Annual use fees and any interest earned from those fees may be used by the authorized organization for public or private purposes. However, the annual fees may not be used for commercial or for-profit activities or for general administrative expenses (except as specifically authorized or to pay the cost of the audit or report required to ensure the proceeds are used as authorized).

Section 320.08058, F.S., lists the approved specialty license plates and specifies funding requirements.

Section 320.08062, F.S., requires all organizations receiving annual use fee proceeds from the department to be responsible for ensuring proceeds are used in accordance with ss. 320.08056 and 320.08058, F.S. Each organization is either subject to an audit or is required to annually attest, under penalties of perjury, that such proceeds were used correctly. The department can examine all records pertaining to the use of specialty license plate revenues.

There are currently 113 specialty license plates authorized by the Legislature to date. Sales of specialty license plates generated over \$37 million in annual use fee revenues during the 2008-2009 fiscal year.

Surfing’s Evolution and Preservation Corporation

The Surfing’s Evolution and Preservation Corporation is a nonprofit organization connected to Florida-based Ron Jon Surf Shop, established to fund activities, programs and projects aimed at preserving the sport of surfing.

The department has found that the “Endless Summer” license plate has met the application requirements and falls within the exception from the moratorium on new specialty license plates created by the 2008 Legislature, as the corporation submitted its materials before May 2, 2008.

III. Effect of Proposed Changes:

The bill authorizes the department to develop and issue a Surfing's Evolution and Preservation Corporation, license plate titled "Endless Summer." Drivers can purchase this specialty plate upon payment of the appropriate license taxes and fees and a \$25 annual use fee.

Surfing's Evolution & Preservation Corporation may retain all of the revenue from the annual use fees until all startup costs for developing and establishing the plate have been recovered. Thereafter, annual use fees shall be distributed to the Surfing's Evolution & Preservation Corporation, which may use the proceeds to fund the administrative, promotion, and marketing costs of the license plate program; to fund the proposed Surfing's Evolution & Preservation Experience project; provide funds for the provision of lifeguards or the building of artificial reefs; provide funds to organizations that house the history and artifacts of surfing or promote the sport through exhibits, lectures, and events; and to support programs and events of other organizations that support beaches and oceans and promote education on beach safety, coastal pollution, and beach ecology.

The bill provides an effective date of October 1, 2010.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Persons who choose to purchase a “Endless Summer” plate can do so for a charge of \$25 (plus \$5 processing fee) in addition to the normal fees associated with buying a license plate.

The Surfing’s Evolution and Preservation Corporation has paid the \$60,000 application fee, which will be refunded if the plate is not approved by the Legislature.

C. Government Sector Impact:

The department is responsible for developing and distributing the “Endless Summer” license plate. The cost of this effort is approximately \$60,000. This impact will be offset by the \$60,000 application fee that the organization has already paid.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.